

# Quarterly Report of Gas Industry Operations

1/2/87 A1775-1 A

THIRD  
QUARTER  
1986



Department of Statistics

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## Part I. Gas Utility Industry Operating Trends

### Income Statement

Total operating revenues for the twelve month period ending September 30, 1986 were \$87,897 million, a 16.9 percent decrease from the same period a year ago. At the same time, operating expenses decreased 18.2 percent to \$81,846 million. Total interest expense increased 3.0 percent during the period and net income decreased 13.8 percent.

### Prices

Average U.S. residential gas prices fell from \$6.96/MMBtu in the third quarter 1985 to \$6.66/MMBtu in the third quarter 1986, a 4.4 percent decrease. Commercial gas prices decreased 8.6 percent while industrial prices decreased 17.7 percent during the same period.

### Customers, Sales, Revenues

The total number of customers in the third quarter 1986 increased 1.7 percent over the third quarter 1985 to 50,404,600.

Total sales in the third quarter 1986 decreased 22.1 percent from the third quarter 1985, while the twelve months ending June 30, 1986 recorded a decrease of 9.4 percent from the twelve months ending September 30, 1985.

Third quarter 1986 total revenues decreased 30.0 percent from the third quarter 1985, while total revenues for the twelve months ending September 30, 1986 decreased 15.2 percent from the same period ending September 30, 1985.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

### INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT (Millions of Dollars)

|                                                         | Twelve Months Ended |           | Percent Change |
|---------------------------------------------------------|---------------------|-----------|----------------|
|                                                         | 9/30/86             | 9/30/85   | 9/30/85-86     |
| Total Operating Revenues                                | \$ 87,897           | \$105,773 | - 16.9         |
| Operating Expenses:                                     |                     |           |                |
| Operation Expenses                                      | \$ 70,560           | \$ 88,665 | - 20.4         |
| Maintenance Expenses                                    | 1,621               | 1,599     | + 1.4          |
| Depreciation, Retirement, Depletion, Amortization, etc. | 3,014               | 3,103     | - 2.9          |
| Federal Income Taxes                                    | 3,332               | 3,119     | + 6.8          |
| All Other Taxes                                         | 3,319               | 3,543     | - 6.3          |
| Total Operating Expenses                                | 81,846              | 100,029   | - 18.2         |
| Operating Income                                        | 6,051               | 5,744     | + 5.3          |
| Other Income - Net                                      | 1,614               | 2,460     | - 34.4         |
| Income Before Interest Charges                          | 7,665               | 8,204     | - 6.6          |
| Interest on Long-term Debt                              | 2,719               | 2,835     | - 4.1          |
| Other Interest Expense (Net)                            | 915                 | 693       | + 32.0         |
| Total Interest Expense                                  | \$ 3,634            | \$ 3,528  | + 3.0          |
| Net Income                                              | \$ 4,031            | \$ 4,676  | - 13.8         |
| Utility Plant Value                                     | \$ 89,801           | \$ 85,685 | + 4.8          |
| Accumulated Provision for Depreciation                  | \$ 37,367           | \$ 36,308 | + 2.9          |

### Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

**Table 1—Gas Utility Industry Customers, Sales and Revenues,  
United States, THIRD QUARTER 1986**

|                             | Quarter Ending<br>September 30 |           | Percent<br>Change | Twelve Months Ending<br>September 30 |            | Percent<br>Change |
|-----------------------------|--------------------------------|-----------|-------------------|--------------------------------------|------------|-------------------|
|                             | 1986                           | 1985      |                   | 1986                                 | 1985       |                   |
| CUSTOMERS<br>(Thousands)    |                                |           |                   |                                      |            |                   |
| Residential                 | 46,348.1                       | 45,594.9  | + 1.7             | SEE                                  |            |                   |
| Commercial                  | 3,834.3                        | 3,747.4   | + 2.3             |                                      |            |                   |
| Industrial                  | 175.1                          | 177.4     | - 1.3             |                                      |            |                   |
| Electric Generation         | 0.5                            | 0.5       | 0.0               |                                      |            |                   |
| Other                       | 46.6                           | 46.9      | - 0.6             |                                      |            |                   |
| TOTAL                       | 50,404.6                       | 49,567.1  | + 1.7             |                                      |            |                   |
| DATA                        |                                |           |                   |                                      |            |                   |
| SALES<br>(Trillions of Btu) |                                |           |                   |                                      |            |                   |
| Residential                 | 384.7                          | 381.7     | + 0.8             | 4,414.2                              | 4,446.4    | - 0.7             |
| Commercial                  | 252.5                          | 269.2     | - 6.2             | 2,263.1                              | 2,305.1    | - 1.8             |
| Industrial                  | 534.1                          | 764.2     | - 30.1            | 3,027.7                              | 3,779.0    | - 19.9            |
| Electric Generation         | 432.4                          | 649.7     | - 33.4            | 1,510.6                              | 1,859.9    | - 18.8            |
| Other                       | 17.3                           | 17.0      | + 1.8             | 126.6                                | 134.1      | - 5.6             |
| TOTAL                       | 1,621.0                        | 2,081.8   | - 22.1            | 11,342.2                             | 12,524.5   | - 9.4             |
| REVENUES<br>(Thousands \$)  |                                |           |                   |                                      |            |                   |
| Residential                 | 2,562,744                      | 2,658,152 | - 3.6             | 25,362,418                           | 26,724,245 | - 5.1             |
| Commercial                  | 1,258,152                      | 1,468,258 | - 14.3            | 11,723,005                           | 12,685,066 | - 7.6             |
| Industrial                  | 1,814,319                      | 3,153,530 | - 42.5            | 11,764,727                           | 16,330,162 | - 28.0            |
| Electric Generation         | 1,163,757                      | 2,438,212 | - 52.3            | 4,620,141                            | 7,308,761  | - 36.8            |
| Other                       | 58,414                         | 72,886    | - 19.9            | 559,882                              | 653,258    | - 14.3            |
| TOTAL                       | 6,857,386                      | 9,791,038 | - 30.0            | 54,030,173                           | 63,701,492 | - 15.2            |

**Table 2—Gas Utility Industry Customers, Sales and Revenues,  
By Division, THIRD QUARTER 1986**

|                             | NEW<br>ENGLAND<br>DIVISION     |         |                   | MIDDLE<br>ATLANTIC<br>DIVISION |           |                   | EAST NORTH<br>CENTRAL<br>DIVISION |           |                   |
|-----------------------------|--------------------------------|---------|-------------------|--------------------------------|-----------|-------------------|-----------------------------------|-----------|-------------------|
|                             | Quarter Ending<br>September 30 |         | Percent<br>Change | Quarter Ending<br>September 30 |           | Percent<br>Change | Quarter Ending<br>September 30    |           | Percent<br>Change |
|                             | 1986                           | 1985    |                   | 1986                           | 1985      |                   | 1986                              | 1985      |                   |
| CUSTOMERS<br>(Thousands)    |                                |         |                   |                                |           |                   |                                   |           |                   |
| Residential                 | 1,690.3                        | 1,677.2 | + 0.8             | 7,830.6                        | 7,729.3   | + 1.3             | 10,293.5                          | 10,153.4  | + 1.4             |
| Commercial                  | 147.7                          | 141.7   | + 4.3             | 605.3                          | 585.3     | + 3.4             | 831.5                             | 808.5     | + 2.8             |
| Industrial                  | 6.8                            | 6.7     | + 1.6             | 25.1                           | 25.1      | -                 | 48.1                              | 47.3      | + 1.8             |
| Electric Generation         | *                              | *       | -                 | *                              | *         | -                 | 0.1                               | 0.1       | - 3.9             |
| Other                       | 4.2                            | 4.0     | + 4.6             | 11.1                           | 10.8      | + 2.6             | 3.9                               | 3.9       | + 0.7             |
| TOTAL                       | 1,849.0                        | 1,829.6 | + 1.1             | 8,472.1                        | 8,350.5   | + 1.5             | 11,177.1                          | 11,013.2  | + 1.5             |
| SALES<br>(Trillions of Btu) |                                |         |                   |                                |           |                   |                                   |           |                   |
| Residential                 | 13.3                           | 13.0    | + 2.2             | 62.7                           | 61.1      | + 2.7             | 100.6                             | 100.7     | - 0.1             |
| Commercial                  | 10.0                           | 10.7    | - 6.9             | 32.2                           | 33.2      | - 2.9             | 48.2                              | 51.2      | - 5.9             |
| Industrial                  | 10.1                           | 14.3    | - 29.2            | 41.1                           | 63.1      | - 34.9            | 96.0                              | 147.6     | - 34.9            |
| Electric Generation         | 5.8                            | 21.6    | - 73.3            | 10.7                           | 23.2      | - 54.1            | 2.6                               | 1.1       | +140.8            |
| Other                       | 0.3                            | 0.5     | - 48.1            | 3.6                            | 3.6       | - 0.2             | 0.7                               | 0.8       | - 11.1            |
| TOTAL                       | 39.5                           | 60.1    | - 34.3            | 150.3                          | 184.2     | - 18.4            | 248.1                             | 301.4     | - 17.7            |
| REVENUES<br>(Thousands \$)  |                                |         |                   |                                |           |                   |                                   |           |                   |
| Residential                 | 118,518                        | 121,432 | - 2.4             | 539,658                        | 537,454   | + 0.4             | 632,286                           | 688,765   | - 8.2             |
| Commercial                  | 61,432                         | 70,312  | - 12.6            | 191,762                        | 214,140   | - 10.4            | 241,375                           | 274,977   | - 12.2            |
| Industrial                  | 38,858                         | 66,052  | - 41.2            | 158,867                        | 309,923   | - 48.7            | 377,713                           | 652,466   | - 42.1            |
| Electric Generation         | 12,657                         | 72,492  | - 82.5            | 27,046                         | 86,245    | - 68.6            | 11,198                            | 5,379     | +108.2            |
| Other                       | 916                            | 2,177   | - 57.9            | 12,878                         | 15,830    | - 18.6            | 3,419                             | 4,080     | - 16.2            |
| TOTAL                       | 232,381                        | 332,465 | - 30.1            | 930,211                        | 1,163,592 | - 20.1            | 1,265,991                         | 1,625,667 | - 22.1            |

\*Less than 50 customers.

TABLE 2—CONTINUED

WEST NORTH  
CENTRAL  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 3,960.2                        | 3,902.8 | + 1.5             |
| Commercial               | 418.0                          | 413.9   | + 1.0             |
| Industrial               | 13.2                           | 13.4    | - 1.3             |
| Electric Generation      | 0.2                            | 0.2     | - 1.1             |
| Other                    | 1.9                            | 1.9     | + 2.2             |
| TOTAL                    | 4,393.5                        | 4,332.2 | + 1.4             |

SOUTH  
ATLANTIC  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 4,071.5                        | 3,959.4 | + 2.8             |
| Commercial               | 363.2                          | 351.5   | + 3.3             |
| Industrial               | 14.7                           | 15.0    | - 2.3             |
| Electric Generation      | *                              | *       | -                 |
| Other                    | 5.1                            | 5.3     | - 3.3             |
| TOTAL                    | 4,454.5                        | 4,331.2 | + 2.9             |

EAST SOUTH  
CENTRAL  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 2,046.6                        | 2,022.1 | + 1.2             |
| Commercial               | 201.1                          | 198.2   | + 1.5             |
| Industrial               | 6.5                            | 6.4     | + 1.0             |
| Electric Generation      | *                              | *       | -                 |
| Other                    | 9.9                            | 9.9     | + 0.3             |
| TOTAL                    | 2,264.1                        | 2,236.6 | + 1.2             |

## SALES

(Trillions of Btu)

|                     |       |       |        |       |       |        |      |      |        |
|---------------------|-------|-------|--------|-------|-------|--------|------|------|--------|
| Residential         | 30.8  | 32.0  | - 3.7  | 27.5  | 27.5  | - 0.1  | 13.8 | 14.0 | - 1.7  |
| Commercial          | 30.4  | 32.6  | - 6.6  | 31.7  | 33.9  | - 6.6  | 11.7 | 13.0 | - 9.7  |
| Industrial          | 71.4  | 77.9  | - 8.3  | 68.2  | 87.5  | - 22.0 | 35.7 | 58.2 | - 38.7 |
| Electric Generation | 3.8   | 4.5   | - 15.0 | 42.3  | 36.7  | + 15.3 | 8.4  | 10.1 | - 16.6 |
| Other               | 1.7   | 1.5   | + 15.8 | 1.1   | 1.1   | - 0.8  | 1.4  | 1.4  | - 0.6  |
| TOTAL               | 138.1 | 148.5 | - 6.9  | 170.8 | 186.7 | - 8.5  | 71.0 | 96.7 | - 26.6 |

## REVENUES

(Thousands \$)

|                     |         |         |        |         |         |        |         |         |        |
|---------------------|---------|---------|--------|---------|---------|--------|---------|---------|--------|
| Residential         | 184,476 | 199,757 | - 7.6  | 211,094 | 213,033 | - 0.9  | 87,013  | 87,511  | - 0.6  |
| Commercial          | 124,823 | 143,805 | - 13.2 | 160,601 | 188,787 | - 14.9 | 56,898  | 65,733  | - 13.4 |
| Industrial          | 225,182 | 287,259 | - 21.6 | 231,309 | 376,848 | - 38.6 | 119,902 | 230,316 | - 47.9 |
| Electric Generation | 10,325  | 13,771  | - 25.0 | 129,097 | 119,182 | + 8.3  | 27,301  | 26,526  | + 2.9  |
| Other               | 4,322   | 4,404   | - 1.9  | 4,926   | 5,403   | - 8.8  | 5,410   | 5,936   | - 8.9  |
| TOTAL               | 549,128 | 648,996 | - 15.4 | 737,027 | 903,253 | - 18.4 | 296,524 | 416,022 | - 28.7 |

\*Less than 50 customers.

WEST SOUTH  
CENTRAL  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 5,290.5                        | 5,286.8 | + 0.1             |
| Commercial               | 473.8                          | 471.9   | + 0.4             |
| Industrial               | 19.9                           | 20.4    | - 2.0             |
| Electric Generation      | 0.1                            | 0.1     | - 2.3             |
| Other                    | 7.0                            | 7.6     | - 7.3             |
| TOTAL                    | 5,791.3                        | 5,786.8 | + 0.1             |

MOUNTAIN  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 2,816.7                        | 2,728.8 | + 3.2             |
| Commercial               | 283.7                          | 274.5   | + 3.4             |
| Industrial               | 5.9                            | 6.1     | - 3.2             |
| Electric Generation      | 0.1                            | 0.1     | -                 |
| Other                    | 3.3                            | 3.3     | + 1.0             |
| TOTAL                    | 3,109.7                        | 3,012.8 | + 3.2             |

PACIFIC  
DIVISION

|                          | Quarter Ending<br>September 30 |         | Percent<br>Change |
|--------------------------|--------------------------------|---------|-------------------|
|                          | 1986                           | 1985    |                   |
| CUSTOMERS<br>(Thousands) |                                |         |                   |
| Residential              | 8,348.2                        | 8,135.1 | + 2.6             |
| Commercial               | 510.0                          | 501.9   | + 1.6             |
| Industrial               | 34.9                           | 37.0    | - 5.7             |
| Electric Generation      | *                              | *       | -                 |
| Other                    | 0.2                            | 0.2     | 0.0               |
| TOTAL                    | 8,893.3                        | 8,674.2 | + 2.5             |

## SALES

(Trillions of Btu)

|                     |       |       |        |      |       |        |       |       |        |
|---------------------|-------|-------|--------|------|-------|--------|-------|-------|--------|
| Residential         | 37.6  | 38.3  | - 1.9  | 21.3 | 20.8  | + 2.3  | 77.1  | 74.3  | + 3.8  |
| Commercial          | 29.7  | 31.2  | - 4.9  | 19.4 | 19.5  | - 0.5  | 39.2  | 43.9  | - 10.6 |
| Industrial          | 108.8 | 181.1 | - 39.9 | 19.0 | 26.2  | - 27.5 | 83.8  | 108.3 | - 22.6 |
| Electric Generation | 237.8 | 309.7 | - 23.2 | 7.2  | 31.8  | - 77.4 | 113.8 | 211.0 | - 46.1 |
| Other               | 6.6   | 5.7   | + 15.8 | 1.5  | 1.9   | - 19.0 | 0.4   | 0.5   | - 25.6 |
| TOTAL               | 420.5 | 566.0 | - 25.7 | 68.4 | 100.2 | - 31.7 | 314.3 | 438.0 | - 28.2 |

## REVENUES

(Thousands \$)

|                     |           |           |        |         |         |        |           |           |        |
|---------------------|-----------|-----------|--------|---------|---------|--------|-----------|-----------|--------|
| Residential         | 228,916   | 239,602   | - 4.5  | 135,803 | 137,564 | - 1.3  | 424,980   | 433,034   | - 1.9  |
| Commercial          | 120,071   | 144,005   | - 16.6 | 87,963  | 98,086  | - 10.3 | 213,227   | 268,413   | - 20.6 |
| Industrial          | 307,071   | 619,719   | - 50.5 | 65,060  | 102,619 | - 36.6 | 290,357   | 508,328   | - 42.9 |
| Electric Generation | 647,317   | 1,092,702 | - 40.8 | 20,438  | 113,964 | - 82.1 | 278,378   | 907,951   | - 69.3 |
| Other               | 18,895    | 24,021    | - 21.3 | 6,077   | 8,578   | - 29.2 | 1,571     | 2,457     | - 36.0 |
| TOTAL               | 1,322,270 | 2,120,049 | - 37.6 | 315,341 | 460,811 | - 31.6 | 1,208,513 | 2,120,183 | - 43.0 |

\*Less than 50 customers.

## Average Gas Prices for the Third Quarter 1986

(\$/MBtu)

|     | Residential  |                 | Commercial   |                 | Industrial   |                 | Electric Generation |                 |
|-----|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------------|-----------------|
|     | 3rd Qtr 1986 | Percent Change* | 3rd Qtr 1986 | Percent Change* | 3rd Qtr 1986 | Percent Change* | 3rd Qtr 1986        | Percent Change* |
| US  | 6.66         | - 4.4           | 4.98         | - 8.6           | 3.40         | - 17.7          | 2.69                | - 28.3          |
| NE  | 8.92         | - 4.5           | 6.17         | - 6.1           | 3.84         | - 16.9          | 2.19                | - 34.8          |
| MA  | 6.66         | - 2.3           | 5.95         | - 7.5           | 3.87         | - 21.2          | 2.54                | - 31.7          |
| ENC | 6.29         | - 8.0           | 5.01         | - 6.7           | 3.93         | - 11.1          | 4.23                | - 13.5          |
| WNC | 5.98         | - 4.2           | 4.10         | - 7.0           | 3.15         | - 14.6          | 2.73                | - 10.8          |
| SA  | 7.89         | - 0.8           | 5.07         | - 9.0           | 3.39         | - 21.3          | 3.05                | - 6.0           |
| ESC | 6.31         | - 0.9           | 4.85         | - 4.1           | 3.38         | - 15.1          | 3.24                | - 23.2          |
| WNC | 6.09         | - 2.7           | 4.08         | - 12.3          | 3.82         | - 17.0          | 2.72                | - 22.9          |
| M   | 6.38         | - 3.3           | 4.93         | - 9.8           | 3.43         | - 12.5          | 2.84                | - 20.8          |
| P   | 5.51         | - 5.0           | 5.43         | - 11.1          | 3.47         | - 26.0          | 2.45                | - 43.0          |

\*Compared with the same quarter in 1985.

## Average Gas Prices for the Year Ending

September 30, 1986

(\$/MBtu)

|     | Residential |                 | Commercial |                 | Industrial |                 | Electric Generation |                 |
|-----|-------------|-----------------|------------|-----------------|------------|-----------------|---------------------|-----------------|
|     | Price       | Percent Change* | Price      | Percent Change* | Price      | Percent Change* | Price               | Percent Change* |
| US  | 7.75        | - 4.4           | 5.18       | - 5.9           | 3.89       | - 10.1          | 3.06                | - 22.2          |
| NE  | 7.71        | - 3.6           | 6.64       | - 4.5           | 5.06       | - 4.7           | 2.89                | - 21.1          |
| MA  | 7.01        | - 2.4           | 6.07       | - 3.5           | 4.61       | - 10.4          | 3.58                | - 10.6          |
| ENC | 5.44        | - 5.5           | 4.90       | - 6.0           | 4.19       | - 8.5           | 4.48                | - 11.9          |
| WNC | 4.98        | - 6.9           | 4.47       | - 7.7           | 3.48       | - 11.9          | 2.93                | - 10.1          |
| SA  | 6.59        | - 1.9           | 5.59       | - 4.5           | 4.08       | - 10.6          | 3.01                | - 11.4          |
| ESC | 5.32        | - 2.9           | 4.94       | - 2.1           | 3.79       | - 7.7           | 2.82                | - 5.8           |
| WNC | 5.14        | - 2.9           | 4.40       | - 7.0           | 3.11       | - 11.1          | 2.83                | - 20.0          |
| M   | 5.22        | - 3.5           | 4.65       | - 6.4           | 3.62       | - 6.6           | 3.26                | - 11.7          |
| P   | 5.14        | - 9.5           | 5.70       | - 10.0          | 4.05       | - 18.3          | 3.33                | - 21.4          |

\*Compared with the same year ending, September 30, 1985.

APPLIANCE AND HOUSING STATISTICS  
(Thousands)

| APPLIANCE SHIPMENTS                     | 1986<br>Third Quarter | Percent<br>Change <sup>a</sup> | Past<br>Twelve Months | Percent<br>Change <sup>b</sup> |
|-----------------------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| <u>Central Heating Equipment</u>        |                       |                                |                       |                                |
| <u>Warm Air Furnaces</u>                |                       |                                |                       |                                |
| Gas                                     | 563.6                 | + 11.5                         | 2,038.9               | + 12.6                         |
| Oil <sup>c</sup>                        | 61.9                  | + 29.0                         | 177.7                 | + 17.4                         |
| Electric                                | 97.0                  | - 1.5                          | 380.1                 | + 9.2                          |
| <u>Boilers</u>                          |                       |                                |                       |                                |
| Gas                                     | 59.3                  | - 1.0                          | 193.1                 | - 0.9                          |
| Oil <sup>c</sup>                        | 37.4                  | + 24.7                         | 115.9                 | + 14.7                         |
| <u>Other Gas Heating Equipment</u>      |                       |                                |                       |                                |
| Wall Furnaces                           | 53.9                  | - 6.1                          | 205.7                 | + 2.2                          |
| Floor Furnaces                          | N/A                   | N/A                            | N/A                   | N/A                            |
| Recreational Vehicle<br>Heating Systems | 44.9                  | + 4.4                          | 204.0                 | + 4.0                          |
| <u>Major Appliances</u>                 |                       |                                |                       |                                |
| <u>Residential Ranges</u>               |                       |                                |                       |                                |
| Gas                                     | 479.3                 | + 4.8                          | 1,925.2               | + 8.6                          |
| Electric                                | 848.2                 | + 5.2                          | 3,265.9               | + 6.7                          |
| <u>Residential Water Heaters</u>        |                       |                                |                       |                                |
| Gas <sup>c</sup>                        | 854.7                 | + 2.3                          | 3,697.1               | + 5.8                          |
| Electric <sup>c</sup>                   | 813.2                 | - 5.9                          | 3,430.1               | + 0.1                          |
| <u>Commercial Water Heaters</u>         |                       |                                |                       |                                |
| Gas <sup>c</sup>                        | 44.0                  | + 6.8                          | 193.6                 | + 3.0                          |
| Electric <sup>c</sup>                   | 4.3                   | - 4.4                          | 18.2                  | - 7.1                          |
| <u>Clothes Dryers</u>                   |                       |                                |                       |                                |
| Gas                                     | 245.7                 | + 22.8                         | 904.7                 | + 13.1                         |
| Electric                                | 876.4                 | + 16.0                         | 3,246.2               | + 7.7                          |
| <u>HOUSING</u>                          |                       |                                |                       |                                |
| Total Housing Starts                    | 489.0                 | + 4.3                          | 1,839.0               | + 8.1                          |
| Single-Family Starts                    | 325.0                 | + 10.2                         | 1,172.0               | + 10.3                         |
| Total Housing Completions (private)     | 466.0                 | + 1.3                          | 1,723.0               | + 2.0                          |
| Mobile Home Shipments                   | 63.4                  | - 17.1                         | 253.8                 | - 10.7                         |

<sup>a</sup>Compared with same period in 1985.<sup>b</sup>Past twelve months compared with same period a year ago.<sup>c</sup>Data not expanded.Sources: Gas Appliance Manufacturers Association, Statistical Highlights.  
U.S. Department of Commerce, Housing Starts and Housing Completions.

# Quarterly Report of Gas Industry Operations

4/22/87 A1775-1 A

**FOURTH  
QUARTER  
1986**



Department of Statistics

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## Part 1. Gas Utility Industry Operating Trends

### Income Statement

Total operating revenues for the twelve month period ending December 31, 1986 were \$81,379 million, a 21.7 percent decrease from the same period a year ago. At the same time, operating expenses decreased 23.4 percent to \$75,263 million. Total interest expense increased 2.9 percent during the period and net income decreased 7.6 percent.

### Prices

Average U.S. residential gas prices fell from \$5.82/MMBtu in the fourth quarter 1985 to \$5.41/MMBtu in the fourth quarter 1986, a 7.0 percent decrease. Commercial gas prices decreased 10.0 percent while industrial prices decreased 15.2 percent during the same period.

### Customers, Sales, Revenues

The total number of customers in the fourth quarter 1986 increased 1.7 percent over the fourth quarter 1985 to 51,009,600.

Total sales in the fourth quarter 1986 decreased 15.8 percent from the fourth quarter 1985, while the twelve months ending December 31, 1986 recorded a decrease of 14.3 percent from the twelve months ending December 31, 1985.

Fourth quarter 1986 total revenues decreased 22.8 percent from the fourth quarter 1985, while total revenues for the twelve months ending December 31, 1986 decreased 20.6 percent from the same period ending December 31, 1985.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

### INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT (Millions of Dollars)

|                                                            | Twelve Months Ended |           | Percent<br>Change |
|------------------------------------------------------------|---------------------|-----------|-------------------|
|                                                            | 12/31/86            | 12/31/85  | 12/31/85-86       |
| Total Operating Revenues                                   | \$ 81,379           | \$103,945 | - 21.7            |
| Operating Expenses:                                        |                     |           |                   |
| Operation Expenses                                         | \$ 64,043           | \$ 86,944 | - 26.3            |
| Maintenance Expenses                                       | 1,677               | 1,628     | + 3.0             |
| Depreciation, Retirement, Depletion,<br>Amortization, etc. | 3,068               | 3,158     | - 2.9             |
| Federal Income Taxes                                       | 2,976               | 3,050     | - 2.4             |
| All Other Taxes                                            | 3,499               | 3,540     | - 1.2             |
| Total Operating Expenses                                   | 75,263              | 98,320    | - 23.4            |
| Operating Income                                           | 6,116               | 5,625     | + 8.7             |
| Other Income - Net                                         | 1,318               | 2,011     | - 34.5            |
| Income Before Interest Charges                             | 7,434               | 7,636     | - 2.6             |
| Interest on Long-term Debt                                 | 2,782               | 2,847     | - 2.3             |
| Other Interest Expense (Net)                               | 919                 | 749       | + 22.7            |
| Total Interest Expense                                     | \$ 3,701            | \$ 3,596  | + 2.9             |
| Net Income                                                 | \$ 3,733            | \$ 4,040  | - 7.6             |
| Utility Plant Value                                        | \$ 90,714           | \$ 86,547 | + 4.8             |
| Accumulated Provision for Depreciation                     | \$ 38,128           | \$ 36,377 | + 4.8             |

### Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

**Table 1—Gas Utility Industry Customers,  
Sales and Revenues, United States,  
FOURTH Quarter 1986**

|                     | Quarter Ending<br>December 31 |            | Percent<br>Change | Twelve Months Ending<br>December 31 |            | Percent<br>Change |
|---------------------|-------------------------------|------------|-------------------|-------------------------------------|------------|-------------------|
|                     | 1986                          | 1985       |                   | 1986                                | 1985       |                   |
| CUSTOMERS           |                               |            |                   |                                     |            |                   |
| (Thousands)         |                               |            |                   |                                     |            |                   |
| Residential         | 46,863.0                      | 46,099.4   | + 1.7             | SEE                                 |            |                   |
| Commercial          | 3,922.1                       | 3,833.5    | + 2.3             |                                     |            |                   |
| Industrial          | 176.6                         | 177.1      | - 0.3             |                                     |            |                   |
| Electric Generation | 0.5                           | 0.5        | 0.0               |                                     |            | QUARTERLY         |
| Other               | 47.4                          | 47.4       | 0.0               |                                     |            |                   |
| TOTAL               | 51,009.6                      | 50,157.9   | + 1.7             |                                     |            | DATA              |
| SALES               |                               |            |                   |                                     |            |                   |
| (Trillions of Btu)  |                               |            |                   |                                     |            |                   |
| Residential         | 1,230.7                       | 1,228.9    | + 0.2             | 4,416.0                             | 4,513.0    | - 2.1             |
| Commercial          | 615.6                         | 638.2      | - 3.5             | 2,240.5                             | 2,338.1    | - 4.2             |
| Industrial          | 606.4                         | 945.1      | - 35.8            | 2,689.0                             | 3,686.2    | - 27.1            |
| Electric Generation | 312.3                         | 483.4      | - 35.4            | 1,339.5                             | 1,948.7    | - 31.3            |
| Other               | 38.3                          | 34.8       | + 10.1            | 130.1                               | 129.5      | + 0.5             |
| TOTAL               | 2,803.3                       | 3,330.4    | - 15.8            | 10,815.1                            | 12,615.5   | - 14.3            |
| REVENUES            |                               |            |                   |                                     |            |                   |
| (Thousands \$)      |                               |            |                   |                                     |            |                   |
| Residential         | 6,660,715                     | 7,149,348  | - 6.8             | 24,873,785                          | 26,864,030 | - 7.4             |
| Commercial          | 2,927,318                     | 3,375,429  | - 13.3            | 11,274,894                          | 12,722,274 | - 11.4            |
| Industrial          | 2,136,909                     | 3,924,976  | - 45.6            | 9,976,660                           | 15,658,707 | - 36.3            |
| Electric Generation | 797,537                       | 1,796,683  | - 55.6            | 3,620,995                           | 7,427,665  | - 51.2            |
| Other               | 146,615                       | 166,959    | - 12.2            | 539,537                             | 620,486    | - 13.0            |
| TOTAL               | 12,669,093                    | 16,413,395 | - 22.8            | 50,285,871                          | 63,293,162 | - 20.6            |

**Table 2—Gas Utility Industry Customers,  
Sales and Revenues, By Division,  
FOURTH Quarter 1986**



New England Division

Map of Middle Atlantic Division

Middle Atlantic Division

Map of East North Central Division

East North Central Division

| <div>Quarter Ending</div> <div>December 31</div> <div>19861985</div> |         |         | Percent Change | <div>Quarter Ending</div> <div>December 31</div> <div>19861985</div> |           |        | Percent Change | <div>Quarter Ending</div> <div>December 31</div> <div>19861985</div> |        |  | Percent Change |
|----------------------------------------------------------------------|---------|---------|----------------|----------------------------------------------------------------------|-----------|--------|----------------|----------------------------------------------------------------------|--------|--|----------------|
| CUSTOMERS                                                            |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| (Thousands)                                                          |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| Residential                                                          | 1,716.2 | 1,688.3 | + 1.7          | 7,834.6                                                              | 7,738.6   | + 1.2  | 10,443.7       | 10,293.4                                                             | + 1.5  |  |                |
| Commercial                                                           | 152.9   | 146.0   | + 4.7          | 609.9                                                                | 591.9     | + 3.0  | 850.4          | 826.2                                                                | + 2.9  |  |                |
| Industrial                                                           | 7.1     | 6.9     | + 2.4          | 25.3                                                                 | 25.3      | - 0.1  | 48.7           | 48.2                                                                 | + 1.1  |  |                |
| Electric Generation                                                  | *       | *       | -              | *                                                                    | *         | -      | 0.1            | 0.1                                                                  | + 2.0  |  |                |
| Other                                                                | 4.3     | 4.0     | + 7.6          | 10.9                                                                 | 10.8      | + 1.3  | 3.9            | 3.9                                                                  | + 0.3  |  |                |
| TOTAL                                                                | 1,880.5 | 1,845.2 | + 1.9          | 8,480.7                                                              | 8,366.6   | + 1.4  | 11,346.8       | 11,171.8                                                             | + 1.6  |  |                |
| SALES                                                                |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| (Trillions of Btu)                                                   |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| Residential                                                          | 41.3    | 37.6    | + 9.9          | 210.4                                                                | 192.7     | + 9.2  | 419.9          | 414.4                                                                | + 1.3  |  |                |
| Commercial                                                           | 23.7    | 22.5    | + 5.5          | 88.1                                                                 | 84.9      | + 3.8  | 189.3          | 189.4                                                                | - 0.1  |  |                |
| Industrial                                                           | 13.5    | 16.5    | - 18.1         | 58.5                                                                 | 86.3      | - 32.2 | 132.8          | 221.0                                                                | - 39.9 |  |                |
| Electric Generation                                                  | 4.8     | 9.9     | - 51.3         | 6.1                                                                  | 21.2      | - 71.0 | 0.8            | 1.7                                                                  | - 52.2 |  |                |
| Other                                                                | 0.7     | 0.6     | + 14.8         | 9.1                                                                  | 9.4       | - 3.1  | 2.4            | 2.4                                                                  | + 1.6  |  |                |
| TOTAL                                                                | 84.0    | 87.1    | - 3.5          | 372.2                                                                | 394.5     | - 5.6  | 745.2          | 828.9                                                                | - 10.1 |  |                |
| REVENUES                                                             |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| (Thousands \$)                                                       |         |         |                |                                                                      |           |        |                |                                                                      |        |  |                |
| Residential                                                          | 291,110 | 287,800 | + 1.2          | 1,419,725                                                            | 1,405,112 | + 1.0  | 2,171,480      | 2,303,224                                                            | - 5.7  |  |                |
| Commercial                                                           | 142,468 | 148,869 | - 4.3          | 492,621                                                              | 524,176   | - 6.0  | 881,032        | 952,262                                                              | - 7.5  |  |                |
| Industrial                                                           | 57,706  | 88,492  | - 34.8         | 249,131                                                              | 428,280   | - 41.8 | 540,866        | 971,558                                                              | - 44.3 |  |                |
| Electric Generation                                                  | 11,033  | 34,085  | - 67.6         | 16,741                                                               | 83,580    | - 80.0 | 3,160          | 7,848                                                                | - 59.7 |  |                |
| Other                                                                | 4,361   | 4,814   | - 9.4          | 47,778                                                               | 56,389    | - 15.3 | 13,078         | 11,166                                                               | + 17.1 |  |                |
| TOTAL                                                                | 506,678 | 564,060 | - 10.2         | 2,225,996                                                            | 2,497,537 | - 10.9 | 3,609,616      | 4,246,058                                                            | - 15.0 |  |                |

\*Less than 50 customers.

Table 2—Continued

West North  
Central  
Division

Quarter Ending  
December 31  
1986 1985

South  
Atlantic  
Division

Percent  
Change

Quarter Ending  
December 31  
1986 1985

East South  
Central  
Division

Percent  
Change

Quarter Ending  
December 31  
1986 1985

Percent  
Change

## CUSTOMERS

(Thousands)

|                     |         |         |       |         |         |       |         |         |        |
|---------------------|---------|---------|-------|---------|---------|-------|---------|---------|--------|
| Residential         | 4,007.9 | 3,953.3 | + 1.4 | 4,132.8 | 4,028.1 | + 2.6 | 2,082.5 | 2,058.4 | + 1.2  |
| Commercial          | 429.7   | 422.6   | + 1.7 | 369.4   | 358.1   | + 3.2 | 216.9   | 212.9   | + 1.9  |
| Industrial          | 12.8    | 13.1    | - 2.3 | 15.6    | 15.4    | + 1.1 | 6.5     | 6.5     | - 0.6  |
| Electric Generation | 0.2     | 0.2     | + 4.1 | *       | *       | -     | *       | *       | + 12.5 |
| Other               | 1.9     | 1.9     | + 1.7 | 5.4     | 5.3     | + 2.2 | 10.3    | 10.3    | + 0.3  |
| TOTAL               | 4,452.5 | 4,391.1 | + 1.4 | 4,523.2 | 4,406.9 | + 2.6 | 2,316.2 | 2,288.1 | + 1.2  |

## SALES

(Trillions of Btu)

|                     |       |       |        |       |       |        |       |       |        |
|---------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| Residential         | 115.8 | 135.0 | - 14.2 | 86.8  | 74.3  | + 16.9 | 47.2  | 40.8  | + 15.7 |
| Commercial          | 69.0  | 79.3  | - 13.0 | 61.7  | 56.6  | + 8.9  | 29.4  | 27.1  | + 8.4  |
| Industrial          | 77.9  | 106.4 | - 26.8 | 85.1  | 106.1 | - 19.7 | 37.1  | 69.9  | - 46.9 |
| Electric Generation | 2.7   | 3.2   | - 14.5 | 26.9  | 29.7  | - 9.4  | 1.3   | 5.3   | - 76.0 |
| Other               | 2.1   | 2.1   | - 2.1  | 1.5   | 1.5   | - 1.6  | 3.4   | 3.4   | - 1.0  |
| TOTAL               | 267.5 | 326.0 | - 17.9 | 262.0 | 268.2 | - 2.3  | 118.4 | 146.5 | - 19.2 |

## REVENUES

(Thousands \$)

|                     |         |           |        |           |           |        |         |         |        |
|---------------------|---------|-----------|--------|-----------|-----------|--------|---------|---------|--------|
| Residential         | 492,020 | 675,759   | - 27.2 | 542,132   | 500,306   | + 8.4  | 232,804 | 224,649 | + 3.6  |
| Commercial          | 254,551 | 363,282   | - 29.9 | 307,974   | 324,730   | - 5.2  | 127,510 | 134,846 | - 5.4  |
| Industrial          | 214,603 | 395,873   | - 45.8 | 316,175   | 472,255   | - 33.0 | 130,329 | 283,447 | - 54.0 |
| Electric Generation | 7,554   | 9,662     | - 21.8 | 63,873    | 96,763    | - 34.0 | 3,792   | 15,206  | - 75.1 |
| Other               | 6,435   | 6,941     | - 7.3  | 6,391     | 7,328     | - 12.8 | 12,373  | 14,397  | - 14.1 |
| TOTAL               | 975,163 | 1,451,517 | - 32.8 | 1,236,545 | 1,401,382 | - 11.8 | 506,808 | 672,545 | - 24.6 |

\*Less than 50 customers.

West South  
Central  
Division

Quarter Ending  
December 31  
1986 1985

Percent  
Change

Mountain  
Division

Quarter Ending  
December 31  
1986 1985

Percent  
Change

Pacific  
Division

Quarter Ending  
December 31  
1986 1985

Percent  
Change

## CUSTOMERS

(Thousands)

|                     |         |         |       |         |         |        |         |         |       |
|---------------------|---------|---------|-------|---------|---------|--------|---------|---------|-------|
| Residential         | 5,354.1 | 5,337.6 | + 0.3 | 2,862.0 | 2,775.7 | + 3.1  | 8,429.2 | 8,226.0 | + 2.5 |
| Commercial          | 490.9   | 485.5   | + 1.1 | 291.1   | 282.0   | + 3.2  | 510.9   | 508.3   | + 0.5 |
| Industrial          | 19.5    | 20.0    | - 2.5 | 4.7     | 4.8     | - 2.1  | 36.4    | 36.9    | - 1.4 |
| Electric Generation | 0.1     | 0.1     | - 7.7 | 0.1     | 0.1     | - 14.3 | *       | *       | -     |
| Other               | 7.2     | 7.7     | - 6.6 | 3.3     | 3.3     | + 1.3  | 0.2     | 0.2     | 0.0   |
| TOTAL               | 5,871.8 | 5,850.9 | + 0.4 | 3,161.2 | 3,065.9 | + 3.1  | 8,976.7 | 8,771.4 | + 2.3 |

## SALES

(Trillions of Btu)

|                     |       |       |        |       |       |        |       |       |        |
|---------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| Residential         | 105.1 | 100.7 | + 4.3  | 65.7  | 71.9  | - 8.6  | 138.5 | 161.5 | - 14.2 |
| Commercial          | 56.5  | 57.6  | - 1.9  | 42.0  | 47.3  | - 11.2 | 55.9  | 73.5  | - 24.0 |
| Industrial          | 99.7  | 187.6 | - 46.8 | 19.9  | 35.3  | - 43.7 | 81.9  | 116.0 | - 29.4 |
| Electric Generation | 158.0 | 214.7 | - 26.4 | 1.6   | 11.7  | - 85.9 | 110.1 | 186.0 | - 40.8 |
| Other               | 14.0  | 10.3  | + 35.5 | 4.1   | 4.3   | - 5.2  | 1.0   | 0.8   | + 22.1 |
| TOTAL               | 433.3 | 570.9 | - 24.1 | 133.3 | 170.5 | - 21.8 | 387.4 | 537.8 | - 28.0 |

## REVENUES

(Thousands \$)

|                     |           |           |        |         |         |        |           |           |        |
|---------------------|-----------|-----------|--------|---------|---------|--------|-----------|-----------|--------|
| Residential         | 503,032   | 520,576   | - 3.4  | 316,239 | 370,260 | - 14.6 | 692,173   | 861,662   | - 19.7 |
| Commercial          | 231,425   | 267,543   | - 13.5 | 182,283 | 225,709 | - 19.2 | 307,454   | 434,012   | - 29.2 |
| Industrial          | 278,124   | 631,812   | - 56.0 | 68,404  | 129,406 | - 47.1 | 281,571   | 523,853   | - 46.2 |
| Electric Generation | 387,319   | 739,441   | - 47.6 | 4,850   | 40,314  | - 88.0 | 299,215   | 769,784   | - 61.1 |
| Other               | 38,679    | 43,948    | - 12.0 | 13,672  | 18,018  | - 24.1 | 3,847     | 3,958     | - 2.8  |
| TOTAL               | 1,438,579 | 2,203,320 | - 34.7 | 585,448 | 783,707 | - 25.3 | 1,584,260 | 2,593,269 | - 38.9 |

\*Less than 50 customers.

Average Gas Prices for the Fourth Quarter 1986

(\$/MMBtu)

|     | Residential  |                 | Commercial   |                 | Industrial   |                 | Electric Generation |                 |
|-----|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------------|-----------------|
|     | 4th Qtr 1986 | Percent Change* | 4th Qtr 1986 | Percent Change* | 4th Qtr 1986 | Percent Change* | 4th Qtr 1986        | Percent Change* |
| US  | 5.41         | - 7.0           | 4.76         | - 10.0          | 3.52         | - 15.2          | 2.55                | - 31.3          |
| NE  | 7.05         | - 7.8           | 6.00         | - 9.4           | 4.27         | - 20.3          | 2.29                | - 33.4          |
| MA  | 6.75         | - 7.4           | 5.59         | - 9.4           | 4.26         | - 14.1          | 2.72                | - 31.0          |
| ENR | 5.17         | - 7.0           | 4.65         | - 7.5           | 4.07         | - 7.5           | 3.53                | - 23.6          |
| WNC | 4.25         | - 15.2          | 3.69         | - 19.4          | 2.75         | - 26.1          | 2.76                | - 8.6           |
| SA  | 6.24         | - 7.3           | 4.99         | - 13.1          | 3.71         | - 16.6          | 2.37                | - 27.1          |
| ESC | 4.93         | - 10.5          | 4.34         | - 12.8          | 3.51         | - 13.5          | 2.99                | + 4.2           |
| WSC | 4.79         | - 7.3           | 4.09         | - 11.8          | 2.79         | - 17.2          | 2.45                | - 28.8          |
| M   | 4.81         | - 6.6           | 4.34         | - 9.0           | 3.44         | - 6.3           | 2.94                | - 14.8          |
| P   | 5.00         | - 6.4           | 5.50         | - 6.8           | 3.44         | - 23.9          | 2.72                | - 34.3          |

\*Compared with the same quarter in 1985.

Average Gas Prices for the Year Ending

December 31, 1986

(\$/MMBtu)

|     | Residential |                 | Commercial |                 | Industrial |                 | Electric Generation |                 |
|-----|-------------|-----------------|------------|-----------------|------------|-----------------|---------------------|-----------------|
|     | Price       | Percent Change* | Price      | Percent Change* | Price      | Percent Change* | Price               | Percent Change* |
| US  | 5.63        | - 5.4           | 5.03       | - 7.5           | 3.71       | - 12.7          | 2.70                | - 29.1          |
| NE  | 7.55        | - 4.4           | 6.48       | - 5.6           | 4.73       | - 9.6           | 2.37                | - 33.0          |
| MA  | 6.87        | - 4.2           | 5.91       | - 5.8           | 4.41       | - 13.2          | 3.10                | - 20.9          |
| ENR | 5.33        | - 7.2           | 4.79       | - 7.7           | 4.09       | - 9.6           | 4.36                | - 13.4          |
| WNC | 4.78        | - 8.8           | 4.22       | - 10.8          | 3.24       | - 15.6          | 2.87                | - 9.0           |
| SA  | 6.47        | - 3.6           | 5.40       | - 7.2           | 3.87       | - 13.8          | 2.82                | - 15.3          |
| ESC | 5.18        | - 5.3           | 4.77       | - 5.2           | 3.65       | - 10.7          | 2.82                | 0.0             |
| WSC | 5.03        | - 3.8           | 4.25       | - 9.2           | 2.95       | - 14.2          | 2.55                | - 26.9          |
| M   | 5.13        | - 3.1           | 4.53       | - 7.0           | 3.57       | - 5.7           | 3.12                | - 13.7          |
| P   | 5.04        | - 9.3           | 5.59       | - 9.3           | 3.76       | - 21.7          | 2.83                | - 35.6          |

\*Compared with the same year ending, December 31, 1985.

### APPLIANCE AND HOUSING STATISTICS (Thousands)

|                                      | 1986<br>Fourth Quarter | Percent<br>Change <sup>a</sup> | Past<br>Twelve Months | Percent<br>Change <sup>b</sup> |
|--------------------------------------|------------------------|--------------------------------|-----------------------|--------------------------------|
| <u>APPLIANCE SHIPMENTS</u>           |                        |                                |                       |                                |
| <u>Central Heating Equipment</u>     |                        |                                |                       |                                |
| Warm Air Furnaces                    |                        |                                |                       |                                |
| Gas                                  | 636.3                  | + 11.6                         | 2,104.8               | + 15.5                         |
| Oil <sup>c</sup>                     | 74.3                   | + 44.6                         | 200.5                 | + 36.1                         |
| Electric                             | 86.7                   | + 3.1                          | 382.6                 | + 4.5                          |
| Boilers                              |                        |                                |                       |                                |
| Gas                                  | 71.3                   | + 4.4                          | 196.0                 | + 1.8                          |
| Oil <sup>c</sup>                     | 43.5                   | + 29.1                         | 125.6                 | + 21.4                         |
| <u>Other Gas Heating Equipment</u>   |                        |                                |                       |                                |
| Wall Furnaces                        | 65.0                   | - 11.9                         | 196.9                 | - 4.6                          |
| Floor Furnaces                       | N/A                    | N/A                            | N/A                   | N/A                            |
| Recreational Vehicle Heating Systems | 47.8                   | + 9.1                          | 208.0                 | + 3.1                          |
| <u>Major Appliances</u>              |                        |                                |                       |                                |
| Residential Ranges                   |                        |                                |                       |                                |
| Gas                                  | 542.0                  | + 8.1                          | 1,939.9               | + 7.0                          |
| Electric                             | 879.5                  | + 5.3                          | 3,309.9               | + 5.5                          |
| Residential Water Heaters            |                        |                                |                       |                                |
| Gas <sup>c</sup>                     | 962.7                  | + 3.4                          | 3,728.8               | + 5.7                          |
| Electric <sup>c</sup>                | 836.7                  | - 4.7                          | 3,389.2               | - 1.8                          |
| Commercial Water Heaters             |                        |                                |                       |                                |
| Gas <sup>c</sup>                     | 49.2                   | + 10.6                         | 198.3                 | + 3.4                          |
| Electric <sup>c</sup>                | 4.5                    | 0                              | 18.2                  | - 5.2                          |
| Clothes Dryers                       |                        |                                |                       |                                |
| Gas                                  | 268.4                  | + 12.4                         | 934.3                 | + 12.1                         |
| Electric                             | 897.4                  | + 7.5                          | 3,308.7               | + 7.4                          |
| <u>HOUSING</u>                       |                        |                                |                       |                                |
| Total Housing Starts                 | 383.0                  | - 8.4                          | 1,804.4               | + 3.4                          |
| Single-Family Starts                 | 251.0                  | + 2.9                          | 1,179.0               | + 10.0                         |
| Total Housing Completions (private)  | 488.0                  | + 7.0                          | 1,755.0               | + 3.1                          |
| Mobile Home Shipments                | 56.1                   | - 14.4                         | 244.4                 | - 13.8                         |

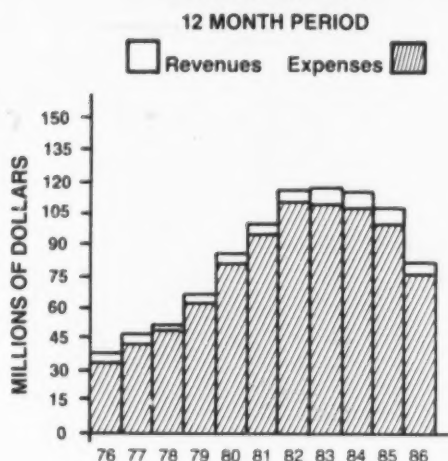
<sup>a</sup>Compared with same period in 1985.<sup>b</sup>Past twelve months compared with same period a year ago.<sup>c</sup>Data not expanded.

Sources: Gas Appliance Manufacturers Association, Statistical Highlights.  
U.S. Department of Commerce, Housing Starts and Housing Completions.

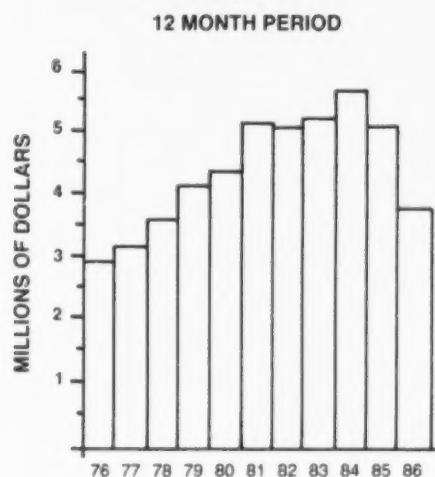
# Part II. Gas Utility Industry Historical Trends

## Fourth Quarter Select Statistics

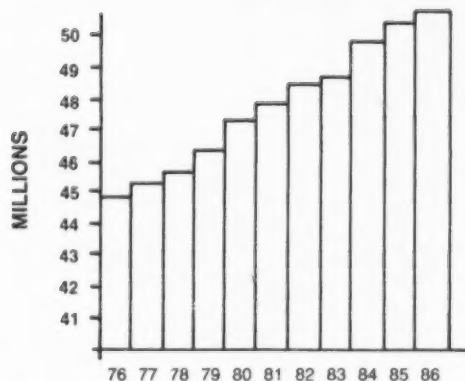
### TOTAL OPERATING REVENUES & EXPENSES



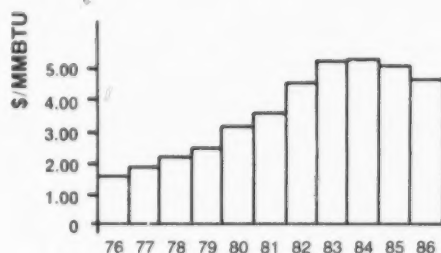
### NET INCOME



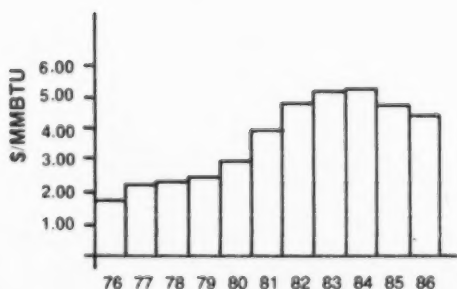
### TOTAL GAS CUSTOMERS



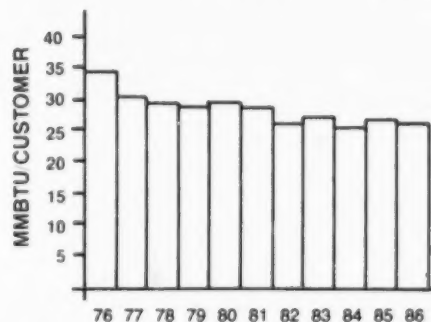
### TOTAL INDUSTRY PRICES



### TOTAL INDUSTRY PRICES

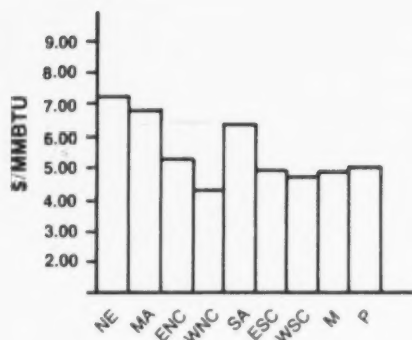


### RESIDENTIAL CONSUMPTION

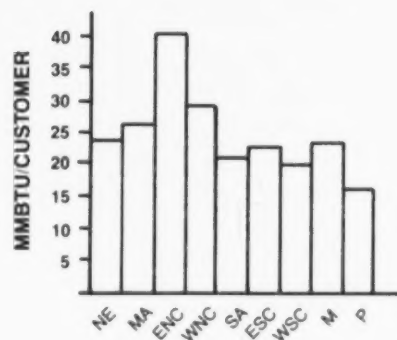


# Fourth Quarter Select Statistics

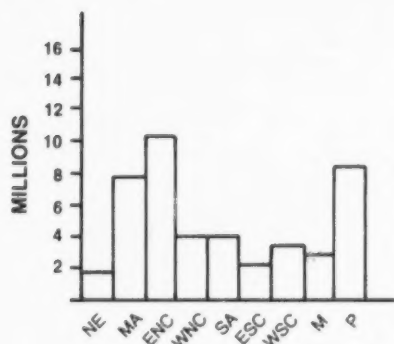
## RESIDENTIAL PRICES



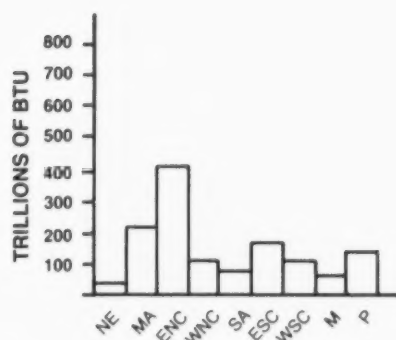
## RESIDENTIAL CONSUMPTION



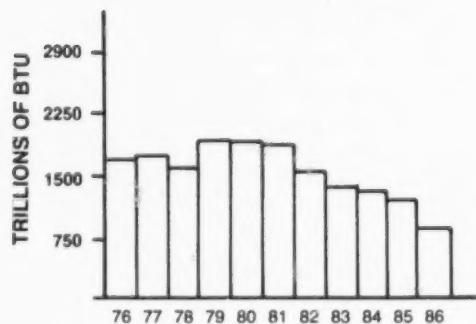
## RESIDENTIAL CUSTOMERS



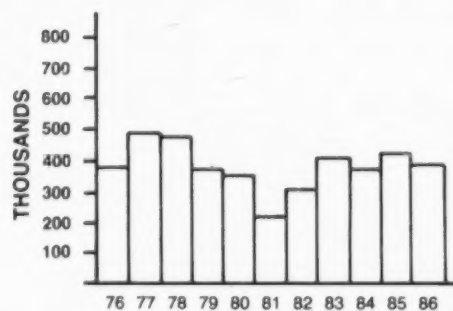
## RESIDENTIAL SALES



## INDUSTRIAL SALES



## TOTAL HOUSING STARTS\*



\*Dept. of Commerce Housing Starts

# Quarterly Report of Gas Industry Operations

8/21/87 A1775-1 A  
FIRST  
QUARTER  
1987



Department of Statistics

American Gas Association  
1515 Wilson Blvd., Arlington, Virginia 22209  
Telephone (703) 841-8400

## Part 1. Gas Utility Industry Operating Trends

### Income Statement

Total operating revenues for the twelve month period ending March 31, 1987 were \$75,393 million, a 22.5 percent decrease from the same period a year ago. At the same time, operating expenses decreased 24.3 percent to \$69,150 million. Total interest expense decreased 0.2 percent during the period and net income decreased 3.3 percent.

### Prices

Average U.S. residential gas prices fell from \$5.46/MMBtu in the first quarter 1986 to \$5.10/MMBtu in the first quarter 1987, a 6.6 percent decrease. Commercial gas prices decreased 10.1 percent while industrial prices decreased 13.4 percent during the same period.

### Customers, Sales, Revenues

The total number of customers in the first quarter 1987 increased 1.7 percent over the first quarter 1986 to 51,932,600.

Total sales in the first quarter 1987 decreased 11.1 percent from the first quarter 1986, while the twelve months ending March 31, 1987 recorded a decrease of 14.8 percent from the twelve months ending March 31, 1986.

First quarter 1987 total revenues decreased 17.6 percent from the first quarter 1986, while total revenues for the twelve months ending March 31, 1987 decreased 21.8 percent from the same period ending March 31, 1986.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

### INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT (Millions of Dollars)

|                                                            | Twelve Months Ended |           | Percent<br>Change |
|------------------------------------------------------------|---------------------|-----------|-------------------|
|                                                            | 3/31/87             | 3/31/86   | 3/31/86-87        |
| Total Operating Revenues                                   | \$ 75,393           | \$ 97,281 | - 22.5            |
| Operating Expenses:                                        |                     |           |                   |
| Operation Expenses                                         | \$ 58,563           | \$ 79,677 | - 26.5            |
| Maintenance Expenses                                       | 1,734               | 1,693     | + 2.4             |
| Depreciation, Retirement, Depletion,<br>Amortization, etc. | 3,126               | 3,206     | - 2.5             |
| Federal Income Taxes                                       | 2,575               | 3,102     | - 17.0            |
| All Other Taxes                                            | 3,152               | 3,619     | - 12.9            |
| Total Operating Expenses                                   | 69,150              | 91,297    | - 24.3            |
| Operating Income                                           | 6,243               | 5,984     | + 4.3             |
| Other Income - Net                                         | 1,411               | 1,812     | - 22.1            |
| Income Before Interest Charges                             | 7,654               | 7,796     | - 1.8             |
| Interest on Long-term Debt                                 | 2,804               | 2,879     | - 2.6             |
| Other Interest Expense (Net)                               | 909                 | 841       | + 8.1             |
| Total Interest Expense                                     | \$ 3,713            | \$ 3,720  | - 0.2             |
| Net Income                                                 | \$ 3,941            | \$ 4,076  | - 3.3             |
| Utility Plant Value                                        | \$ 90,918           | \$ 87,331 | + 4.1             |
| Accumulated Provision for Depreciation                     | \$ 38,213           | \$ 36,705 | + 4.1             |

### Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

**Table 1—Gas Utility Industry Customers,  
Sales and Revenues, United States,  
FIRST Quarter 1987**

|                     | Quarter Ending |            |         | Twelve Months Ending |            |         |
|---------------------|----------------|------------|---------|----------------------|------------|---------|
|                     | March 31       |            | Percent | March 31             |            | Percent |
|                     | 1987           | 1986       | Change  | 1987                 | 1986       | Change  |
| CUSTOMERS           |                |            |         |                      |            |         |
| (Thousands)         |                |            |         |                      |            |         |
| Residential         | 47,651.4       | 46,869.3   | + 1.7   | SEE                  |            |         |
| Commercial          | 4,053.9        | 3,960.3    | + 2.4   |                      |            |         |
| Industrial          | 178.7          | 180.7      | - 1.1   |                      |            |         |
| Electric Generation | 0.6            | 0.5        | -       |                      |            |         |
| Other               | 48.0           | 47.0       | + 2.1   |                      |            |         |
| TOTAL               | 51,932.6       | 51,057.8   | + 1.7   |                      |            |         |
|                     |                |            |         |                      | QUARTERLY  |         |
|                     |                |            |         |                      |            | DATA    |
| SALES               |                |            |         |                      |            |         |
| (Trillions of Btu)  |                | - -        |         |                      |            |         |
| Residential         | 2,003.1        | 2,062.0    | - 2.9   | 4,357.1              | 4,413.3    | - 1.3   |
| Commercial          | 908.0          | 986.7      | - 8.0   | 2,161.8              | 2,294.1    | - 5.8   |
| Industrial          | 610.3          | 925.4      | - 34.0  | 2,373.9              | 3,482.2    | - 31.8  |
| Electric Generation | 234.8          | 257.0      | - 8.6   | 1,317.3              | 1,819.7    | - 27.6  |
| Other               | 49.3           | 50.0       | - 1.4   | 129.4                | 125.5      | + 3.1   |
| TOTAL               | 3,805.5        | 4,281.1    | - 11.1  | 10,339.5             | 12,134.8   | - 14.8  |
| REVENUES            |                |            |         |                      |            |         |
| (Thousands \$)      |                |            |         |                      |            |         |
| Residential         | 10,214,672     | 11,268,234 | - 9.3   | 23,820,223           | 25,673,096 | - 7.2   |
| Commercial          | 4,226,309      | 5,102,530  | - 17.2  | 10,398,673           | 12,167,393 | - 14.5  |
| Industrial          | 2,133,601      | 3,742,447  | - 43.0  | 8,367,814            | 14,405,515 | - 41.9  |
| Electric Generation | 647,650        | 797,875    | - 18.8  | 3,470,469            | 6,703,989  | - 48.2  |
| Other               | 195,757        | 235,535    | - 16.9  | 499,759              | 587,644    | - 15.0  |
| TOTAL               | 17,417,989     | 21,146,621 | - 17.6  | 46,556,938           | 59,537,637 | - 21.8  |

**Table 2—Gas Utility Industry Customers,  
Sales and Revenues, By Division,  
FIRST Quarter 1987**

|                                    | New<br>England<br>Division         |                                    |                   | Middle<br>Atlantic<br>Division     |                                    |                   | East North<br>Central<br>Division  |                                    |                   |
|------------------------------------|------------------------------------|------------------------------------|-------------------|------------------------------------|------------------------------------|-------------------|------------------------------------|------------------------------------|-------------------|
|                                    | Quarter Ending<br>March 31<br>1987 | Quarter Ending<br>March 31<br>1986 | Percent<br>Change | Quarter Ending<br>March 31<br>1987 | Quarter Ending<br>March 31<br>1986 | Percent<br>Change | Quarter Ending<br>March 31<br>1987 | Quarter Ending<br>March 31<br>1986 | Percent<br>Change |
| <b>CUSTOMERS</b><br>(Thousands)    |                                    |                                    |                   |                                    |                                    |                   |                                    |                                    |                   |
| Residential                        | 1,735.4                            | 1,708.2                            | + 1.6             | 7,929.3                            | 7,832.2                            | + 1.2             | 10,585.3                           | 10,422.7                           | + 1.6             |
| Commercial                         | 158.6                              | 152.4                              | + 4.1             | 627.2                              | 608.8                              | + 3.0             | 875.0                              | 850.8                              | + 2.9             |
| Industrial                         | 7.1                                | 6.9                                | + 2.9             | 25.3                               | 25.6                               | - 1.0             | 49.1                               | 49.0                               | + 0.2             |
| Electric Generation                | *                                  | *                                  | -                 | *                                  | *                                  | -                 | 0.1                                | 0.1                                | -                 |
| Other                              | 4.4                                | 4.0                                | + 11.0            | 11.2                               | 10.8                               | + 3.3             | 3.9                                | 3.9                                | + 0.8             |
| TOTAL                              | 1,905.5                            | 1,871.5                            | + 1.8             | 8,593.0                            | 8,477.4                            | + 1.4             | 11,513.4                           | 11,326.5                           | + 1.7             |
| <b>SALES</b><br>(Trillions of Btu) |                                    |                                    |                   |                                    |                                    |                   |                                    |                                    |                   |
| Residential                        | 73.9                               | 73.2                               | + 0.9             | 359.4                              | 365.4                              | - 1.6             | 602.3                              | 674.2                              | - 10.7            |
| Commercial                         | 40.4                               | 39.2                               | + 3.2             | 138.6                              | 146.3                              | - 5.3             | 247.7                              | 306.7                              | - 19.2            |
| Industrial                         | 13.3                               | 13.3                               | - 0.1             | 71.4                               | 94.3                               | - 24.3            | 134.0                              | 258.8                              | - 48.2            |
| Electric Generation                | 1.5                                | 0.9                                | + 62.5            | 4.9                                | 5.8                                | - 14.7            | 0.9                                | 1.6                                | - 41.1            |
| Other                              | 1.2                                | 1.1                                | + 6.9             | 13.6                               | 15.0                               | - 9.3             | 4.2                                | 4.5                                | - 7.7             |
| TOTAL                              | 130.3                              | 127.7                              | + 2.0             | 587.9                              | 626.8                              | - 6.2             | 989.1                              | 1,245.8                            | - 20.6            |
| <b>REVENUES</b><br>(Thousands \$)  |                                    |                                    |                   |                                    |                                    |                   |                                    |                                    |                   |
| Residential                        | 485,253                            | 540,010                            | - 10.1            | 2,129,507                          | 2,401,609                          | - 11.3            | 2,878,876                          | 3,488,701                          | - 17.5            |
| Commercial                         | 240,686                            | 267,191                            | - 9.9             | 684,797                            | 880,655                            | - 22.2            | 1,098,426                          | 1,474,199                          | - 25.5            |
| Industrial                         | 66,489                             | 76,822                             | - 13.4            | 287,253                            | 455,307                            | - 36.9            | 513,301                            | 1,087,502                          | - 52.8            |
| Electric Generation                | 5,679                              | 3,536                              | + 60.6            | 18,685                             | 25,130                             | - 25.6            | 3,298                              | 7,024                              | - 53.0            |
| Other                              | 6,049                              | 6,274                              | - 3.6             | 71,835                             | 91,069                             | - 21.1            | 18,000                             | 21,204                             | - 15.1            |
| TOTAL                              | 804,156                            | 893,833                            | - 10.0            | 3,192,077                          | 3,853,770                          | - 17.2            | 4,511,901                          | 6,078,630                          | - 25.8            |

\*Less than 50 customers.

Table 2—Continued

West North  
Central  
DivisionSouth  
Atlantic  
DivisionEast South  
Central  
Division

|                             | Quarter Ending<br>March 31 |           | Percent<br>Change | Quarter Ending<br>March 31 |           | Percent<br>Change | Quarter Ending<br>March 31 |           | Percent<br>Change |
|-----------------------------|----------------------------|-----------|-------------------|----------------------------|-----------|-------------------|----------------------------|-----------|-------------------|
|                             | 1987                       | 1986      |                   | 1987                       | 1986      |                   | 1987                       | 1986      |                   |
| CUSTOMERS<br>(Thousands)    |                            |           |                   |                            |           |                   |                            |           |                   |
| Residential                 | 4,078.7                    | 4,012.5   | + 1.7             | 4,288.7                    | 4,191.0   | + 2.3             | 2,151.8                    | 2,114.8   | + 1.8             |
| Commercial                  | 441.4                      | 432.3     | + 2.1             | 387.6                      | 374.9     | + 3.4             | 230.7                      | 224.5     | + 2.8             |
| Industrial                  | 13.0                       | 13.2      | - 1.3             | 15.3                       | 16.5      | - 7.5             | 6.6                        | 6.5       | + 0.9             |
| Electric Generation         | 0.3                        | 0.2       | -                 | *                          | *         | -                 | *                          | *         | -                 |
| Other                       | 2.0                        | 2.0       | + 1.7             | 5.1                        | 5.1       | + 0.6             | 10.6                       | 10.5      | + 0.5             |
| TOTAL                       | 4,535.4                    | 4,460.2   | + 1.7             | 4,696.7                    | 4,587.5   | + 2.4             | 2,399.7                    | 2,356.3   | + 1.8             |
| SALES<br>(Trillions of Btu) |                            |           |                   |                            |           |                   |                            |           |                   |
| Residential                 | 180.9                      | 217.8     | - 18.9            | 172.9                      | 170.9     | + 1.2             | 90.7                       | 89.6      | + 1.2             |
| Commercial                  | 96.0                       | 116.0     | - 17.2            | 105.2                      | 102.1     | + 3.0             | 46.1                       | 48.1      | - 4.2             |
| Industrial                  | 74.2                       | 113.7     | - 34.7            | 74.8                       | 107.0     | - 30.1            | 37.5                       | 69.6      | - 46.0            |
| Electric Generation         | 2.3                        | 2.0       | + 13.6            | 24.1                       | 27.0      | - 10.7            | 0.5                        | 8.9       | - 94.2            |
| Other                       | 2.2                        | 2.4       | - 8.0             | 2.2                        | 2.0       | + 8.7             | 5.6                        | 5.9       | - 5.4             |
| TOTAL                       | 355.6                      | 451.9     | - 21.3            | 379.2                      | 409.0     | - 7.3             | 180.4                      | 222.1     | - 18.8            |
| REVENUES<br>(Thousands \$)  |                            |           |                   |                            |           |                   |                            |           |                   |
| Residential                 | 737,717                    | 1,036,120 | - 28.8            | 1,071,598                  | 1,069,673 | + 0.2             | 439,372                    | 443,005   | - 0.8             |
| Commercial                  | 355,062                    | 521,153   | - 31.9            | 548,480                    | 586,735   | - 6.5             | 208,652                    | 237,807   | - 12.3            |
| Industrial                  | 208,902                    | 403,364   | - 48.2            | 306,959                    | 467,355   | - 34.3            | 125,796                    | 273,529   | - 54.0            |
| Electric Generation         | 5,296                      | 6,144     | - 13.8            | 67,683                     | 85,146    | - 20.5            | 1,730                      | 24,640    | - 93.0            |
| Other                       | 6,818                      | 7,513     | - 9.2             | 9,459                      | 10,160    | - 6.9             | 20,383                     | 24,869    | - 18.0            |
| TOTAL                       | 1,313,795                  | 1,974,294 | - 33.4            | 2,004,179                  | 2,219,069 | - 9.7             | 795,933                    | 1,003,850 | - 20.7            |

\*Less than 50 customers.

West South  
Central  
DivisionMountain  
DivisionPacific  
Division

|                             | Quarter Ending<br>March 31 |           | Percent<br>Change | Quarter Ending<br>March 31 |         | Percent<br>Change | Quarter Ending<br>March 31 |           | Percent<br>Change |
|-----------------------------|----------------------------|-----------|-------------------|----------------------------|---------|-------------------|----------------------------|-----------|-------------------|
|                             | 1987                       | 1986      |                   | 1987                       | 1986    |                   | 1987                       | 1986      |                   |
| CUSTOMERS<br>(Thousands)    |                            |           |                   |                            |         |                   |                            |           |                   |
| Residential                 | 5,369.7                    | 5,386.9   | - 0.3             | 2,916.8                    | 2,832.1 | + 3.0             | 8,595.7                    | 8,368.9   | + 2.7             |
| Commercial                  | 501.4                      | 502.2     | - 0.1             | 299.8                      | 290.6   | + 3.2             | 532.2                      | 523.8     | + 1.6             |
| Industrial                  | 19.3                       | 19.8      | - 2.6             | 5.6                        | 5.7     | - 1.5             | 37.4                       | 37.5      | - 0.2             |
| Electric Generation         | 0.1                        | 0.1       | -                 | 0.1                        | 0.1     | -                 | *                          | *         | -                 |
| Other                       | 7.3                        | 7.2       | + 0.9             | 3.3                        | 3.3     | + 0.4             | 0.2                        | 0.2       | 0.0               |
| TOTAL                       | 5,897.8                    | 5,916.2   | - 0.3             | 3,225.6                    | 3,131.8 | + 3.0             | 9,165.5                    | 8,930.4   | + 2.6             |
| SALES<br>(Trillions of Btu) |                            |           |                   |                            |         |                   |                            |           |                   |
| Residential                 | 176.0                      | 163.8     | + 7.5             | 108.7                      | 101.3   | + 7.3             | 238.3                      | 205.8     | + 15.8            |
| Commercial                  | 84.2                       | 84.3      | - 0.1             | 61.5                       | 59.0    | + 4.3             | 88.3                       | 85.0      | + 3.8             |
| Industrial                  | 91.5                       | 133.5     | - 31.4            | 21.0                       | 29.8    | - 29.5            | 92.6                       | 105.4     | - 12.2            |
| Electric Generation         | 65.5                       | 101.0     | - 35.1            | 2.0                        | 4.3     | - 54.2            | 133.1                      | 105.5     | + 26.2            |
| Other                       | 14.4                       | 12.6      | + 14.0            | 5.0                        | 5.0     | - 11.5            | 0.9                        | 0.9       | + 1.8             |
| TOTAL                       | 431.6                      | 495.2     | - 12.8            | 198.2                      | 200.0   | - 0.9             | 553.2                      | 502.6     | + 10.1            |
| REVENUES<br>(Thousands \$)  |                            |           |                   |                            |         |                   |                            |           |                   |
| Residential                 | 772,697                    | 774,401   | - 0.2             | 499,217                    | 505,946 | - 1.3             | 1,200,435                  | 1,008,769 | + 19.0            |
| Commercial                  | 341,802                    | 371,605   | - 8.0             | 260,355                    | 277,032 | - 6.0             | 488,049                    | 486,153   | + 0.4             |
| Industrial                  | 243,647                    | 413,452   | - 41.1            | 68,778                     | 108,946 | - 36.9            | 312,476                    | 456,170   | - 31.5            |
| Electric Generation         | 179,377                    | 253,644   | - 29.3            | 7,039                      | 16,050  | - 56.1            | 358,863                    | 376,561   | - 4.7             |
| Other                       | 42,294                     | 46,354    | - 8.8             | 17,005                     | 23,089  | - 26.3            | 3,914                      | 5,003     | - 21.8            |
| TOTAL                       | 1,579,817                  | 1,859,456 | - 15.0            | 852,394                    | 931,063 | - 8.4             | 2,363,737                  | 2,332,656 | + 1.3             |

\*Less than 50 customers.

Average Gas Prices for the First Quarter 1987

(\$/Mbtu)

|     | Residential  |                 | Commercial   |                 | Industrial   |                 | Electric Generation |                 |
|-----|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------------|-----------------|
|     | 1st Qtr 1987 | Percent Change* | 1st Qtr 1987 | Percent Change* | 1st Qtr 1987 | Percent Change* | 1st Qtr 1987        | Percent Change* |
| US  | 5.10         | - 6.6           | 4.65         | - 10.1          | 3.50         | - 13.4          | 2.76                | - 11.0          |
| NE  | 6.57         | - 11.0          | 5.95         | - 12.8          | 5.01         | - 13.3          | 3.89                | - 1.0           |
| MA  | 5.93         | - 9.7           | 4.94         | - 17.9          | 4.02         | - 16.8          | 3.81                | - 12.0          |
| ENE | 4.78         | - 7.5           | 4.43         | - 7.9           | 3.43         | - 8.8           | 3.51                | - 20.0          |
| WNE | 4.08         | - 14.3          | 3.70         | - 17.6          | 2.82         | - 20.6          | 2.33                | - 24.1          |
| SA  | 6.20         | - 1.0           | 5.22         | - 9.2           | 4.10         | - 6.2           | 2.81                | - 10.8          |
| ESC | 4.85         | - 1.8           | 4.53         | - 8.3           | 3.35         | - 14.8          | 3.39                | + 22.4          |
| WSC | 4.39         | - 7.2           | 4.06         | - 7.9           | 2.66         | - 14.2          | 2.74                | + 9.2           |
| M   | 4.59         | - 8.0           | 4.23         | - 10.0          | 3.28         | - 10.4          | 3.57                | - 4.3           |
| P   | 5.04         | + 2.9           | 5.53         | - 3.3           | 3.88         | - 21.9          | 2.70                | - 24.4          |

\*Compared with the same quarter in 1986.

Average Gas Prices for the Year Ending

March 31, 1987

(\$/Mbtu)

|     | Residential |                 | Commercial |                 | Industrial |                 | Electric Generation |                 |
|-----|-------------|-----------------|------------|-----------------|------------|-----------------|---------------------|-----------------|
|     | Price       | Percent Change* | Price      | Percent Change* | Price      | Percent Change* | Price               | Percent Change* |
| US  | 5.47        | - 6.0           | 4.81       | - 9.3           | 3.52       | - 14.8          | 2.63                | - 24.5          |
| NE  | 7.17        | - 7.8           | 6.10       | - 9.7           | 4.52       | - 12.5          | 2.42                | - 30.7          |
| MA  | 6.57        | - 6.9           | 5.43       | - 12.0          | 4.11       | - 16.9          | 2.96                | - 24.0          |
| ENE | 5.16        | - 6.9           | 4.63       | - 7.2           | 3.97       | - 9.0           | 4.28                | - 12.2          |
| WNE | 4.47        | - 11.5          | 3.88       | - 14.8          | 3.02       | - 18.1          | 2.73                | - 11.4          |
| SA  | 6.44        | - 2.7           | 5.17       | - 9.6           | 3.75       | - 14.5          | 2.74                | - 15.9          |
| ESC | 5.12        | - 3.6           | 4.58       | - 8.3           | 3.45       | - 13.9          | 2.86                | + 3.3           |
| WSC | 4.86        | - 5.9           | 4.11       | - 9.5           | 2.82       | - 15.5          | 2.57                | - 23.5          |
| M   | 4.94        | - 6.6           | 4.35       | - 9.6           | 3.46       | - 8.5           | 3.01                | - 16.3          |
| P   | 5.09        | - 3.7           | 5.52       | - 7.5           | 3.48       | - 24.6          | 2.63                | - 37.7          |

\*Compared with the same year ending, March 31, 1986.

## APPLIANCE AND HOUSING STATISTICS (Thousands)

| APPLIANCE SHIPMENTS                  | 1987<br>First Quarter | Percent<br>Change <sup>a</sup> | Past<br>Twelve Months | Percent<br>Change <sup>b</sup> |
|--------------------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| <u>Central Heating Equipment</u>     |                       |                                |                       |                                |
| Warm Air Furnaces                    |                       |                                |                       |                                |
| Gas                                  | 469.9                 | + 1.1                          | 2,109.8               | + 11.1                         |
| Oil <sup>c</sup>                     | 41.6                  | + 19.5                         | 207.3                 | + 34.9                         |
| Electric                             | 101.1                 | + 2.3                          | 384.9                 | + 1.5                          |
| Boilers                              |                       |                                |                       |                                |
| Gas                                  | 36.6                  | + 6.1                          | 198.1                 | + 2.1                          |
| Oil <sup>c</sup>                     | 26.9                  | + 16.5                         | 129.3                 | + 19.4                         |
| <u>Other Gas Heating Equipment</u>   |                       |                                |                       |                                |
| Wall Furnaces                        | 36.7                  | - 12.4                         | 191.7                 | - 8.7                          |
| Floor Furnaces                       | 3.9                   | - 17.0                         | 21.0                  | - 4.1                          |
| Recreational Vehicle Heating Systems | 62.6                  | + 4.3                          | 210.6                 | + 4.0                          |
| <u>Major Appliances</u>              |                       |                                |                       |                                |
| Residential Ranges                   |                       |                                |                       |                                |
| Gas                                  | 524.0                 | + 15.7                         | 2,011.1               | + 7.5                          |
| Electric                             | 808.9                 | + 6.6                          | 3,360.5               | + 5.6                          |
| Residential Water Heaters            |                       |                                |                       |                                |
| Gas <sup>c</sup>                     | 1,037.7               | + 3.5                          | 3,763.7               | + 3.3                          |
| Electric <sup>c</sup>                | 866.6                 | - 1.9                          | 3,372.4               | - 3.3                          |
| Commercial Water Heaters             |                       |                                |                       |                                |
| Gas <sup>c</sup>                     | 55.3                  | + 6.3                          | 201.7                 | + 4.9                          |
| Electric <sup>c</sup>                | 4.5                   | - 2.2                          | 18.1                  | - 3.7                          |
| Clothes Dryers                       |                       |                                |                       |                                |
| Gas                                  | 264.3                 | + 20.3                         | 980.5                 | + 16.1                         |
| Electric                             | 926.3                 | + 18.9                         | 3,455.8               | + 11.6                         |
| <u>HOUSING</u>                       |                       |                                |                       |                                |
| Total Housing Starts                 | 349.0                 | - 6.7                          | 1,779.0               | + 0.5                          |
| Single-Family Starts                 | 241.0                 | + 3.0                          | 1,186.0               | + 8.7                          |
| Total Housing Completions (private)  | 381.0                 | + 1.9                          | 1,762.0               | + 2.9                          |
| Mobile Home Shipments                | 70.1                  | + 20.7                         | 256.4                 | - 8.2                          |

<sup>a</sup>Compared with same period in 1986.<sup>b</sup>Past twelve months compared with same period a year ago.<sup>c</sup>Data not expanded.Sources: Gas Appliance Manufacturers Association, Statistical Highlights.  
U.S. Department of Commerce, Housing Starts and Housing Completions.

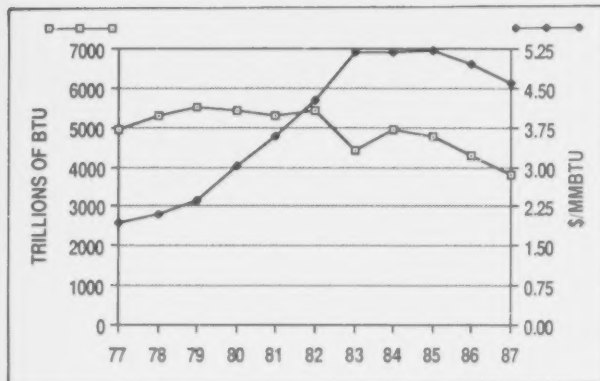
# Part II. Gas Utility Industry Historical Trends

## FIRST QUARTER GAS UTILITY SALES & PRICES

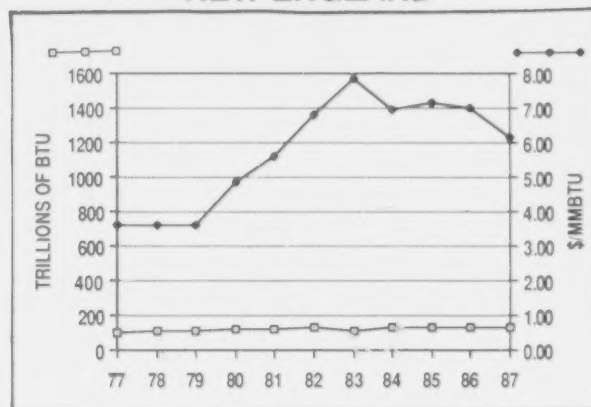
SALES

PRICES

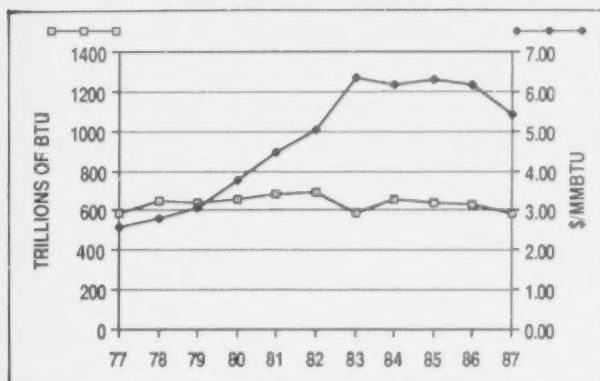
### UNITED STATES



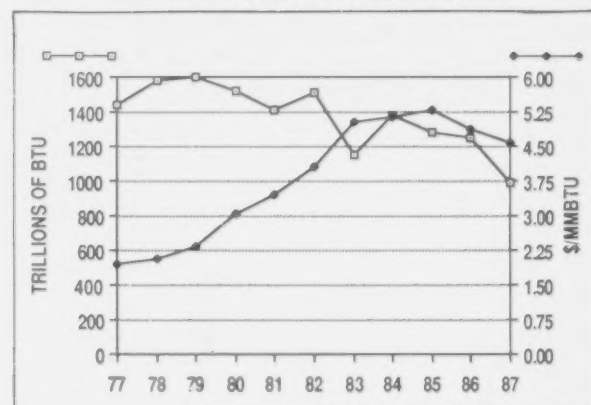
### NEW ENGLAND



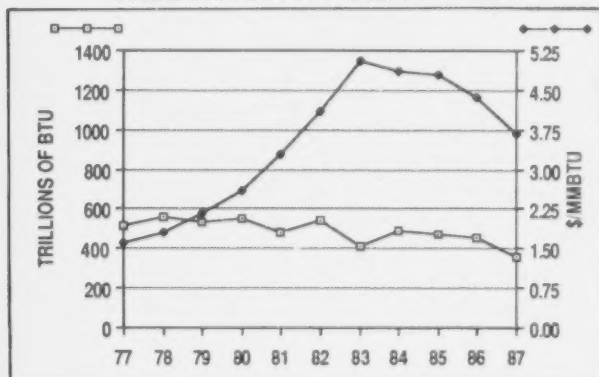
### MIDDLE ATLANTIC



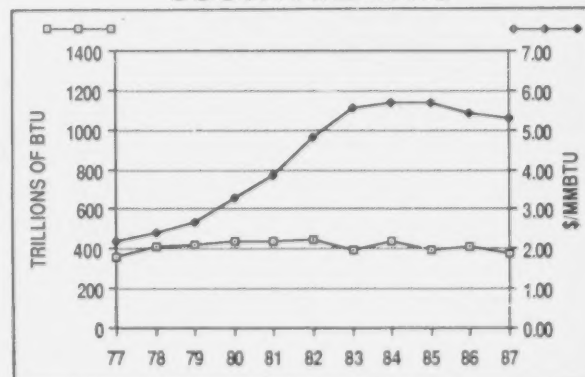
### EAST NORTH CENTRAL



### WEST NORTH CENTRAL



### SOUTH ATLANTIC

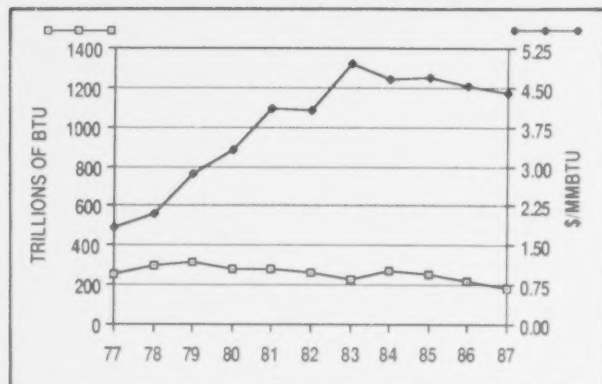


# FIRST QUARTER GAS UTILITY SALES & PRICES

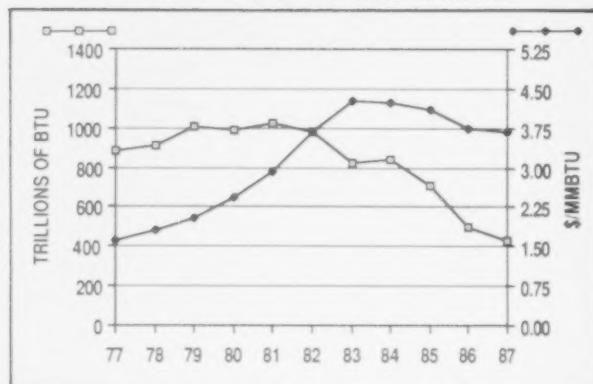
SALES

PRICES

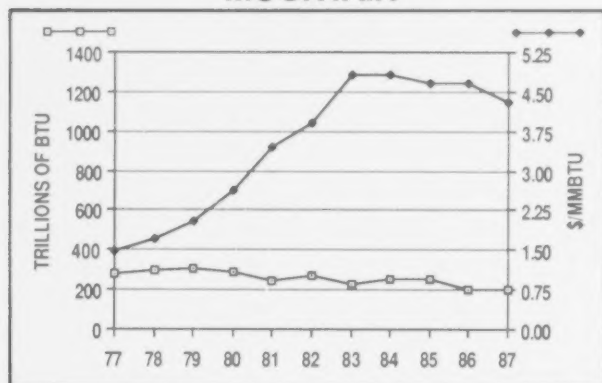
## EAST SOUTH CENTRAL



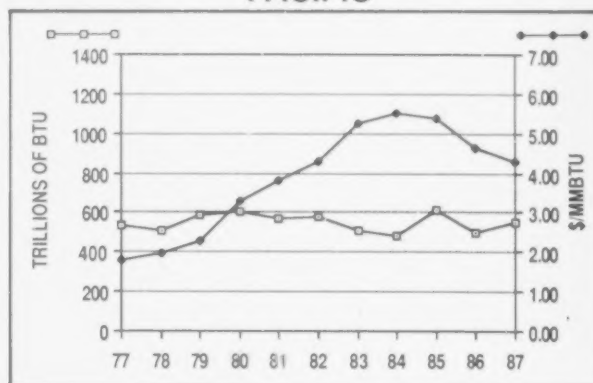
## WEST SOUTH CENTRAL



## MOUNTAIN



## PACIFIC



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